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Supreme Court, U.S.
FILED

No. _____ 07 1586 JUN 18 2008

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In The

Supreme Court of the United States

WALTER C. DUMAS AND DUMAS & ASSOCIATES LAW CORPORATION,

Petitioners,

vs.

BARCOSH, LTD.,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Fifth Circuit

PETITION FOR A WRIT OF CERTIORARI

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QUESTIONS PRESENTED FOR REVIEW

1. Whether Barcosh, LTD.'s complaint is barred by *res judicata* and preclusion by judgment.

2. Whether Barcosh, LTD. carried its burden for the granting of Barcosh, LTD.'s cross-motion for summary judgment.

3. Whether Walter C. Dumas, and/or Dumas & Associates Law Corporation should have been granted a new trial.

4. Whether Barcosh, LTD. carried its burden for the issuance of Temporary Restraining Order, Preliminary Restraining Order, Preliminary and Permanent Injunction and Writ of Sequestration.

5. Whether Walter C. Dumas, and/or Dumas & Associates Law Corporation should have been granted relief from the judgment of April 17, 2006.

PARTIES TO THE PROCEEDINGS

All parties to the proceedings appear in the caption of the case on the cover page.

CORPORATE DISCLOSURE

Pursuant to Supreme Court Rule 29.6, Dumas & Associates Law Corporation states that Dumas & Associates Law Corporation is a privately held Louisiana corporation. None of its shares are held by a publicly traded company.

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OPINIONS BELOW

The Judgment of the district court dated April 17, 2007, is set forth at App. 5.

The Opinion of the Fifth Circuit Court of Appeal dated March 20, 2008 is set forth at App. 1-4.

STATEMENT OF JURISDICTION

The judgment of the Fifth Circuit Court of Appeal was entered March 20, 2008. This Court has jurisdiction under 28 U.S.C. § 1254(1).

STATUTES AND RULES INVOLVED

Summary Judgment
Fed. R. Civ. P. 56(c)

> (c) **Motion and Proceedings Thereon.** The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone

although there is a genuine issue as to the amount of damages.

Ruling from Judgment or Order
Fed. R. Civ. P. 60b(4)(5)(6)

(b) **Mistakes; Inadvertinence; Excusable Neglect; newly Discovered Evidence; Fraud, etc.** (4) the judgment is void; (5) the judgment has been satisfied, released, or discharged, or a prior judgment, upon which it is based, has been reversed or otherwise vacated, or it is no longer equitable that the judgment should have prospective application; or (6) any other reason justifying relief from the operation of the judgment.

Withdrawal
28 U.S.C. § 2042

No money deposited under section 2041 of this title shall be withdrawn except by order of the court.

In every case in which the right to withdraw money deposited in court under section 2041 has been adjudicated or is not in dispute and such money has remained so deposited for at least five years unclaimed by the person entitled thereto, such court shall cause such money to be deposited in the Treasury in the name and to the credit of the United States. Any claimant entitled to any such money may, on petition to the court and upon notice to the United States attorney and full proof of the right thereto, obtain an order directing payment to him.

La. C.C.P. Art. 425 provides in part:

> Art. 425. Preclusion by judgment
>
> A. A party shall assert all causes of action arising out of the transaction or occurrence that is the subject matter of the litigation.

La. C.C.P. Art. 2541

> A. A party seeking recognition of execution by a Louisiana court of a judgment or decree of court of the United States or a territory thereof, or of any other state, or of any foreign country may either seek enforcement pursuant to R.S. 13:4241, et seq., or bring an ordinary proceeding against the judgment debtor in the proper Louisiana court, to have the judgment or decree recognized and made the judgment of the Louisiana court.
>
> B. In the latter case, a duly authenticated copy of the judgment or decree must be annexed to the petition.

Res Judicata
La. R.S. 13:4231(2) and (3)

> (2) If the judgment is in favor of the defendant, all causes of action existing at the time of final judgment arising out of the transaction or occurrence that is the subject matter of the litigation are extinguished and the judgment bars a subsequent action on those causes of action.
>
> (3) A judgment in favor of either the plaintiff or the defendant is conclusive, in any

subsequent action between them, with respect to any issue actually litigated and determined if its determination was essential to that judgment.

Filing and Statutes of a Foreign Jurisdiction
La. R.S. 13:4242

A copy of any foreign judgment authenticated in accordance with an act of congress or the statutes of this state may be annexed to and filed with an ex parte petition complying with Code of Civil Procedure Article 891 and praying that the judgment be made executory in a court of this state. The foreign judgment shall be treated in the same manner as a judgment of a court of this state. It shall have the same effect and be subject to the same procedures, and defenses, for reopening, vacating, or staying as a judgment of a court of this state and may be enforced in the same manner.

Louisiana Rules of Court – District Court Rule 9.5

All Judgments, orders, and rulings requiring the court's signature must either be presented to the judge for signature when rendered or, if presented later, contain the typewritten name of the judge who rendered the judgment, order or ruling.

If presented later, the responsible attorney or the unrepresented party *must* circulate the proposed judgment, order or ruling to counsel for all parties and to unrepresented parties *and allows at least three working days for comment before presentation to the court.*

> When submitted, the proposed judgment, order or ruling *must be accompanied by a certificate regarding the date of mailing, hand delivery or other method of delivery of the document to other counsel of record and to unrepresented parties, and stating whether any opposition was received.*

STATEMENT OF THE CASE

Barcosh, LTD., filed a Complaint for Recognition and Enforcement of Foreign Judgment in the district court on August 24, 2006, to have an Ohio judgment rendered August 3, 2006 recognized and made executory.

The same transaction or occurrence, two (2) loans, as set forth in Barcosh, LTD.'s Complaint for Recognition and Enforcement of Foreign Judgment, were adjudicated in state court prior to Barcosh, LTD.'s attempt to have the judgment rendered in Ohio on August 3, 2006, recognized and enforced.

On September 22, 2006, in a matter entitled *Barcosh, LTD. versus Walter C. Dumas for the Dumas & Associates Law Corporation and Walter C. Dumas individually,* number C642,807 Division "D," 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana, the 19th Judicial District Court rendered a judgment dismissing all claims Barcosh, LTD. had against Walter C. Dumas and Walter C. Dumas for Dumas & Associates Law Corporation

arising out of the same transaction or occurrence which forms the subject matter of Barcosh LTD.'s complaint herein.

The Judgment rendered in Ohio on August 3, 2006 was rendered against Walter C. Dumas for the Dumas & Associates Law Corporation and Walter C. Dumas, individually. However, Barcosh, LTD.'s complaint filed in the district court to enforce the August 3, 2006 judgment named, as defendants, Walter C. Dumas, individually and Dumas & Associates Law Corporation. Walter C. Dumas for Dumas & Associates Law Corporation is not named in the complaint herein, however, it is a named defendant in the Ohio August 3, 2006 judgment.

The promissory notes which formed the basis of the Judgment set forth that Walter C. Dumas, Individually and Dumas & Associates Law Corporation are the makers. The promissory notes and security agreements are signed by Walter C. Dumas, individually and Walter C. Dumas for Dumas & Associates Law Corporation. Walter C. Dumas for Dumas & Associates Law Corporation is not a maker of the promissory notes nor the security agreements.

Walter C. Dumas and Dumas & Associates Law Corporation filed a motion to dismiss Barcosh, LTD.'s complaint. Barcosh, LTD. filed an opposition.

The district court denied the motion to dismiss but suggested to Walter C. Dumas and Dumas & Associates Law Corporation that a motion for summary appears to be the appropriate motion to file.

On December 11, 2006, Walter C. Dumas and Dumas & Associates Law Corporation filed a Motion for Summary Judgment based on *res judicata* and preclusion by judgment. On December 29, 2006, Barcosh, LTD. filed a Cross-Motion for Summary Judgment.

In support of its Cross-Motion for Summary Judgment, Barcosh, LTD. filed a Statement of Uncontested Material Facts. In paragraph 31 of Barcosh, LTD.'s Statement of Uncontested Material Facts, Barcosh, LTD. states:

> 31.
>
> The court granted the summary judgment and dismissed Barcosh's Petition to Enforce the April 4th Judgment with prejudice.

Barcosh, LTD. was referring to the summary judgment granted by the 19th Judicial District Court to Walter C. Dumas for Dumas & Associates Law Corporation and Walter C. Dumas, individually, on September 22, 2006, which dismissed all claims Barcosh, LTD. had against Walter C. Dumas for Dumas & Associates Law Corporation and Walter C. Dumas, individually. (App. 12-13) Barcosh, LTD. did not appeal that judgment. Barcosh, LTD.'s admission in its Statement of Uncontested Material Facts clearly proves that Barcosh, LTD.'s Petition to Enforce the April 4, 2006, Judgment was not dismissed with prejudice until September 22, 2006, and not on July 10, 2006 as contended by Barcosh, LTD.

As a result of the September 22, 2006 judgment, all causes of action existing at the time of the September 22, 2006, Judgment rendered in the 19th Judicial District Court, were extinguished and barred, which included the August 3, 2006, Ohio Judgment.

The Fifth Circuit Court of Appeal states in its opinion that Barcosh, LTD.'s Petition to Enforce the April 4, 2006, Judgment was dismissed without prejudice when Barcosh, LTD. agreed to set aside the April 4, 2006 Judgment.

As shown above, the April 4, 2006, Judgment was not voluntarily dismissed by Barcosh, LTD. but by the 19th Judicial District Court on September 22, 2006 when the court granted a summary judgment to Walter C. Dumas and Walter C. Dumas for Dumas & Associates Law Corporation as admitted by Barcosh, LTD.

The fact that Barcosh, LTD. appeared in court on September 22, 2006 and argued against Walter C. Dumas and Walter C. Dumas for Dumas & Associates Law Corporation's motion for summary judgment and did not one time mention that its Ex Parte Petition to Enforce Foreign Judgment had been dismissed on July 10, 2006, clearly shows that Barcosh, LTD. knew the July 10, 2006 Judgment was not valid.

Barcosh LTD. knew it had not complied with Louisiana Civil District Court Rule 9.5 in reference to the July 10, 2006 Judgment which mandates that:

> All Judgments, orders, and rulings requiring the court's signature must either be presented to the judge for signature when rendered or, if presented later, contain the typewritten name of the judge who rendered the judgment, order or ruling.
>
> If presented later, the responsible attorney or the unrepresented party *must* circulate the proposed judgment, order or ruling to counsel for all parties and to unrepresented parties *and allows at least three working days for comment before presentation to the court.* When submitted, the proposed judgment, order or ruling *must be accompanied by a certificate regarding the date of mailing, hand delivery or other method of delivery of the document to other counsel of record and to unrepresented parties, and stating whether any opposition was received.*

Barcosh, LTD.'s July 10, 2006 Judgment contains no such certificate nor was the judgment circulated to counsel for Walter C. Dumas and Walter C. Dumas for Dumas & Associates Law Corporation at least three working days before presenting the Judgment to the 19th Judicial District Court for signing.

Upon learning of the existence of the July 10, 2006 judgment through documents filed in the district court, counsel for Walter C. Dumas and Walter C. Dumas for Dumas & Associates Law Corporation presented a motion and order to set-aside the July 10, 2006 judgment to the 19th Judicial District Court and it was signed by the judge. Barcosh, LTD. did not

take any action to contest the setting aside of the July 10, 2006 Judgment nor did Barcosh, LTD. appeal.

The July 10, 2006, judgment was the second judgment Barcosh, LTD. filed to have its Ex Parte Petition to Enforce Foreign Judgment dismissed without prejudice in the 19th Judicial District Court.

On July 3, 2006, a judgment filed by Barcosh, LTD. was signed by the 19th Judicial District Court dismissing Barcosh, LTD.'s Ex Parte Petition to Enforce Foreign Judgment. This July 3, 2006, judgment was also set-aside as a result of a motion and order filed by Walter C. Dumas, individually, and for Dumas and Associates Law Corporation.

The district court granted Barcosh, LTD.'s cross-motion for summary judgment and denied Walter C. Dumas and Dumas & Associates Law Corporation motion for summary judgment.

Walter C. Dumas and Dumas & Associates Law Corporation filed a Motion for New Trial and Relief from Judgment and both were denied by the district court.

After the Motion for a New Trial was denied, Barcosh, LTD. filed a Motion for a Temporary Restraining Order, Preliminary and Permanent Injunction and Writ of Sequestration and all were granted by the district court which included restraining and enjoining Walter C. Dumas and Dumas & Associates Law Corporation from proceeding with litigations against Barcosh, LTD. in state courts.

Walter C. Dumas and Dumas & Associates timely appealed the judgments of the district court to the First Circuit Court of Appeal.

The Fifth Circuit Court of Appeal granted oral argument on January 8, 2008 and oral argument was tentatively scheduled for the week of March 3, 2008. However, a week before the scheduled oral argument, the Court cancelled oral argument. On March 20, 2008, the Fifth Circuit Court of Appeal affirmed the judgments of the district court.

REASON FOR GRANTING THE WRIT

The ruling of the Fifth Circuit Court of Appeal is in conflict with the decisions of this Court and decisions of its own Court in the application of Louisiana law of *res judicata* and preclusion by judgment.

ARGUMENT

(a) Summary Judgment Should Not Have Been Granted

In diversity cases, federal courts must apply state substantive law. *Erie R.R. Co. v. Tompkins*, 304 U.S. 64, 79, 58 S. Ct. 817, 82 L. Ed. 1188 (1938); *Ashland Chem. Inc. v. Barco., Inc.*, 123 F.3d 261, 265 (5th Cir. 1997).

The party seeking summary judgment always bears the initial responsibility of informing the court of the basis for its motion and identifying those

portions of the record that it believes demonstrates the absence of a genuine issue of material fact. *Celotex Corp. v. Catrell,* 477 U.S. 317, 323, 106 S. Ct. 2548, 2553, 1 L. Ed. 2d 266, 274 (1986).

Summary judgment is proper when, after reviewing "the pleadings, the discovery and disclosure materials on file, and any affidavits," the court determines there is no genuine issue of material fact. Fed. R. Civ. P. 56(c).

The August 3, 2006, Ohio Judgment is subject to the same defenses as a judgment rendered in a court of Louisiana. La. R.S. 13:4242. Since the subject matter was the same for the April 4, 2006, Judgment and the August 3, 2006, Judgment, the August 3, 2006, Judgment is barred by the September 22, 2006, Judgment.

The doctrine of *res judicata* mandates the effect to be given final judgment; *res judicata* is not discretionary. *Avenue Plaza, L.L.C. v. Falgoust*, 676 So.2d 1077 (La. 7/2/96).

The policy underlying *res judicata* is to have the parties litigate all of the controversies arising out of the same transaction or occurrence at the same time, thus saving litigants from the potential injustice of having to relitigate the same matters repeatedly with potentially contradictory results. *Estay v. Terminal Stevedores, Inc.*, 806 So.2d 790, 01-1011 (La. App. 5 Cir. 12/26/01).

The Louisiana Supreme Court has held that a final judgment acquires the authority of a thing adjudged, no court has jurisdiction to change the judgment, regardless of the magnitude of the final judgment's error. *Tolis v. Board of Supervisors of Louisiana State University*, 660 So.2d 1206 (La. 10/16/95). There was no error made in the 19th Judicial District Court. If an error had been made, Barcosh, LTD. would have certainly appealed.

This suit is also barred under federal *res judicata. Howell Hydrocarbons, Inc. v. Adams*, 897 F.2d 183 (5th Cir. 1990). "Once a court decides an issue of fact or law that is necessary to its judgment that decision precludes relitigation of the same issue in a difference cause of action between the same parties." *Roland v. Owens*, 786 So.2d 167, *writ denied*, 795 So.2d 1213 (La. 8/31/01) See also *Hudson v. City of Bossier*, 766 So.2d 738, 33,620 (La. App. 2 Cir. 8/25/00), *writ denied*, 775 So.2d 450, 2000-2687 (La. 11/27/00).

If it is determined that the Ohio Judgment of August 3, 2006 is not barred by *res judicata*, it should not apply to Dumas & Associates Law Corporation because Dumas & Associates Law Corporation was not a party to the Ohio suit and Dumas & Associates Corporation is not named in the Ohio August 3, 2006, judgment. Walter C. Dumas for Dumas & Associates Law Corporation is named in the judgment. The Ohio suit named Walter C. Dumas for Dumas & Associates Law Corporation because the name appears as such on the promissory notes and security agreements in reference to the two loans. However, in these

documents, Dumas & Associates Law Corporation is named as one of the makers and should have been named in the Ohio suit as a defendant and in the August 3, 2006 Judgment. The other maker is Walter C. Dumas, individually.

Barcosh, LTD. had the right to bring an ordinary proceeding against Walter C. Dumas, individually and Walter C. Dumas for Dumas & Associates Law Corporation or Dumas & Associates Law Corporation pursuant to Louisiana Code of Civil Procedure article 2541 which provides the right of a party to seek recognition or execution by a Louisiana court of a judgment of another state or the right to have a foreign judgment recognized and made executory pursuant to La. R.S. 13:4241 et seq. Barcosh, LTD. made the decision to proceed pursuant to La. R.S. 13:4241, et seq.

La. R.S. 13:4241 et seq. and particularly, La. 13:4242 provides that foreign judgments seeking to be recognized and made executory shall be subject to the same procedures and defenses of a judgment of this State. *Res Judicata* and preclusion by judgment are defenses.

La. R.S. 13:4231(2) and (3) of the *res judicata* statute provide (2) that a valid and final judgment is conclusive between the parties when a judgment is rendered in favor of the defendant, all causes of actions existing at the time of the final judgment arising out of the transactions or occurrence that is the subject of the matter are extinguished and the

judgment bars subsequent action on those cause of action, and (3) a judgment in favor of the defendant is conclusive, in any subsequent action between the plaintiff and defendant, with respect to any issue actually litigation and determined if its determination was essential to that judgment.

Additionally, Louisiana Code of Civil Procedure 425 (preclusion by judgment) provides in part (A) a party shall assert all causes of action arising out of the transaction or occurrence that is the subject matter of the litigation. The same two (2) loans were the subject matter of the April 4, 2006, and August 3, 2006, Ohio judgments. The comment under Louisiana Code of Civil Procedure 425 states:

> This amendment expands the scope of this Article to reflect the changes made in the defense of res judicata and puts the parties on notice that all causes of action arising out of the transaction or occurrence that is the subject matter of the litigation must be raised.

As a result of the failure of Barcosh, LTD. to supplement and amend its Exparte Petition for Recognition and Enforcement of Foreign Judgment in the 19th Judicial District Court before it was dismissed on September 22, 2006 to include any cause of actions it considered it had against Walter C. Dumas, individually, and Walter C. Dumas for Dumas & Associates Law Corporation based on the August 3, 2006, Judgment, resulted in those causes of action being waived. *Westerman v. State Farm Mut. Auto Ins. Co.*, 834 So.2d 445, 2001-2159 (La. App. 1 Cir. 9/27/02).

In *Wise v. Lewing*, 446 So.2d 964 (La. App. 3 Cir. 1984) and in *Curtis v. Interstate in Brands Corporation*, 782 F.Supp. 31 (M.D. La. 1992), the courts of Louisiana and the United States District Court for the Middle District of Louisiana held in identical factual situation that a suit to have foreign judgment made executory and subsequent complaint making new allegations not made in a prior complaint are barred by *res judicata* and preclusion by judgment under Louisiana law and barred by *res judicata* and the preclusion doctrine under federal law.

In *Wise*, a suit was brought to have a foreign money judgment made executory. Judgment was rendered in favor of the defendant because the foreign judgment was not authentic. Plaintiff filed a second and identical lawsuit again seeking to have the now authentic foreign judgment made executory. Defendant filed a peremptory exception of *res judicata* which was sustained by the trial court. Plaintiff appealed and the appellate court in affirming the trial court judgment held:

> "Since the second suit, now on appeal, asserts the same demand against the same party based on the same cause of action as does the first suit, we conclude that the trial court was correct in granting defendant's exception of res judicata."

In *Curtis*, decided by the United States District Court for the Middle District of Louisiana, the court that granted Barcosh, LTD. its Cross-Motion for Summary Judgment, the plaintiff had previously filed

a complaint which was dismissed. Plaintiff filed another complaint which reasserted the same facts as the first complaint with additional allegations under Racketeer Influenced and Corrupt Organizations Act (RICO). The district court held that doctrine of *res judicata* barred the second complaint. See also *Lowe v. Prejean*, 540 So.2d 436 (La. App. 1 Cir. 1989).

More importantly, in *Curtis*, the district court in addressing the doctrine of claim preclusion under the rules of *res judicata* stated:

> "The doctrine of 'claim preclusion' under the rules of res judicata treats a judgment, once rendered, as the full measure of relief to be accorded between the same parties on the same 'claim' or 'cause of action.' When a judgment has been rendered for a defendant, the plaintiff's claim is extinguished; the judgment then acts as a 'bar.' The effect of the judgment extends to the litigation of all issues relevant to the same claim between the same parties, whether or not raised at trial. The aim of claim preclusion is to avoid multiple suits on identical entitlements or obligations between the same parties."

The Fifth Circuit Court of Appeal, in *St. Paul Mercury Insurance Co. v. Williamson*, 224 F.3d 425 (5th Cir. 2000) in addressing the preclusion law of Louisiana stated "the district court had to give the same preclusive effect to the Louisiana state court judgment as would a Louisiana Court. Applying this

ruling, the August 3, 2006, Ohio Judgment is barred by preclusion by judgment.

Further, the Fifth Circuit Court of Appeal in *Travelers Ins. Co. v. St. Jude Hosp. of Kenner of Louisiana, Inc.*, 37 F.3d 193 (5th Cir. 1994), *rehearing and suggestion for rehearing denied*, 41 F.3d 666, *cert. denied*, 514 U.S. 1065, 115 S. Ct. 1696, 131 L. Ed. 2d 559 (1995), in addressing the cause of action stated:

> "To determine whether same cause of action is involved, as required for later came to be barred under federal res judicata rules, critical issue is not relief requested or theory asserted, but whether plaintiff bases two actions on same nucleus of operative facts; res judicata bars all claims that were or could have been advanced in support of cause of action on occasion of its former adjudication, not merely those that were adjudicated."

In *Louisiana Seafood Management v. Foster*, 40 F.Supp. 2d 533 (E.D. La. 1999), the district court held "Louisiana's doctrine of res judicata bars relitigation of both claims and issues arising out of same factual circumstances if there has been valid final judgment."

In *Gladney v. American Heritage Life Ins. Co.*, 80 F.Supp. 2d 594 (W.D. La. 1999), the district court held "under Louisiana law, determination of applicability of res judicata doctrine depends on whether: (1) plaintiff's claims in present suit arise out of same transaction or occurrence as those causes of action which were fully litigated in previous suit, and (2) plaintiff's claims in present suit existed at time of

final judgment in previous suit." The claims of Barcosh, LTD. in the August 3, 2006, Judgment arise out of the same transaction or occurrence which was the subject matter of the September 22, 2006, Judgment rendered in the 19th Judicial District Court. The August 3, 2006, Judgment was existing at the time the September 22, 2006, Judgment was rendered.

"[A] federal court must give to a state-court judgment the same preclusive effect as would be given that judgment under the law of the State in which the judgment was rendered." *Migra v. Warren City School Dist. Bd. Of Educ.*, 465 U.S. 75, 81, 104 S. Ct. 892, 79 L. Ed. 2d 56 (1984); *Baker Group, L.C. v. Burlington Northern and Santa Fe Railway Company*, 228 F.3d 883 (8th Cir. 2000).

Under Louisiana Law, courts are without power to adjudicate rights of a person who is not named as a defendant. *Dennis v. Liberty Mutual Insurance Company,* 645 So.2d 1227, 940026 (La. App. 1 Cir. 11/10/94); *Miller v. Bailey*, 621 So.2d 1174 (La. App. 3 Cir. 1993), *writ denied*, 629 So.2d 358 (La. 11/5/93).

Dumas & Associates Law Corporation was not named as a defendant in the Ohio proceedings. The April 4, 2006 and the August 3, 2006 judgments were not rendered against Dumas & Associates Law Corporation. The plaintiff in the Ohio proceedings named the defendants and prepared and presented the judgments for signing.

The promissory notes and security agreements herein clearly show the makers are Walter C. Dumas,

individually and Dumas & Associates Law Corporation. Walter C. Dumas for Dumas & Associates Law Corporation is not a maker of the promissory notes nor security agreements which formed the basis for the August 3, 2006 Judgment.

Summary judgment should be granted if the record, taken as a whole, "together with the affidavits, if any show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(b). See also *New York Life Ins. v. Travelers Co.*, 92 F.3d 336, 338 (5th Cir. 1996); *Rogers v. Int'l Marine Terminal, Inc.*, 87 F.3d 755, 758 (5th Cir. 1996). Barcosh, LTD. failed to carry its burden.

(b) A New Trial should have been granted

Walter C. Dumas, individually and Dumas & Associates Law Corporation re-urge and adopt the above in support of their argument for a new trial. Dumas and Associates Law Corporation was not a party to any suit nor any judgment rendered in the State of Ohio. Therefore, the Motion for New Trial in favor of Dumas & Associates Law Corporation should have been granted.

(c) Relief from Judgment should have been granted

The Judgment of April 17, 2007, is barred by res judicata and preclusion by judgment as a result of the

September 22, 2006, Judgment rendered in the 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana. Therefore, Walter C. Dumas and Dumas & Associates Law Corporation should be relieved from the enforcement of the April 17, 2007, Judgment. Fed. R. Civ. P. 60(b)(4)(5)(6).

"Relief may also be granted where the judgment or order is void, whether because the court lacked jurisdiction over the subject matter, lacked personal jurisdiction over the parties, acted in some manner inconsistent with constitutional due process, or otherwise acted beyond the powers granted to it under law. *Callon Petroleum Co. v. Frontier Ins. Co.*, 351 F.3d 204, 208 (5th Cir. 2004).

"Judgments entered beyond the court's authority to act are 'void.'" See *Eberhardt v. Integrated Design & Const., Inc.*, 167 F.3d 861, 871 (4th Cir. 1999); and *In re Crivello*, 134 F.3d 831, 838 (7th Cir. 1998).

Relief from a judgment may also be granted where the continued enforcement of the judgment would be inequitable. See *Agostini v. Felton*, 521 U.S. 203, 117 S. Ct. 1997, 138 L. Ed. 2d 391 (1997).

The April 17, 2007, Judgment is void. Therefore, Walter C. Dumas and Dumas & Associates Law Corporation should be relieved from the judgment. See *Carter v. Fenner*, 136 F.3d 1000, 1005 (5th Cir. 1998).

Alternatively, and only in the alternative, that the judgment is determined to be valid against Walter

C. Dumas, individually, it should not be valid as to Dumas & Associates Law Corporation.

(d) Temporary Restraining Order, Preliminary Restraining Order, Preliminary and Permanent Injunction and Writ of Sequestration should not have been granted

Based upon the summary judgment, Barcosh, LTD. on May 19, 2007, moved the district court for a Temporary Restraining Order, Preliminary and Permanent Injunction and Writ of Sequestration and set forth, "It is evident that Dumas intends to use these state court proceedings in tandem to unlawfully and improperly extract the $751,000.00 in the registry of the 22nd JDC. Barcosh believes it is in imminent danger of losing its collateral through defendants' actions."

The Temporary Restraining Order was issued after the denial of the Motion for New Trial making the Temporary Restraining Order, Preliminary Injunction and Writ of Sequestration moot. The denial of the Motion for New Trial ended the case. There was no status quo to maintain.

The primary justification for granting a preliminary injunction is to preserve the court's ability to render a meaningful decision on the merits. As a result of the district court denying the motion for new trial, there will be no decision to be made on the merits of this case. There was no need for any type of injunction.

The district court issued a temporary restraining order on May 30, 2007, which enjoined Walter C. Dumas and Dumas & Associates Law Corporation from taking any action in two (2) state court lawsuits, the first of which is entitled *Barcosh, Ltd. v. Walter C. Dumas, et al.*, No. 542807, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana and the second is entitled In re: Chemical Release at Bogalusa, Petition for Concursus, Suit No. 73341, 22nd Judicial District Court, Parish of Washington, State of Louisiana.

Further, the district court issued a writ of sequestration directing the Clerk of Court for the Middle District of Louisiana to direct the United States Marshal's Office for the Middle District of Louisiana and to the extent appropriate and/or required by law, direct the United States Marshal's Office for the Eastern District of Louisiana to seize, take into their possession and custody, and to deposit in the registry of the district court any and all sums held by the Clerk of Court for Washington Parish, Louisiana, which are held under a Petition for Concursus in the legal action entitled In Re: Chemical Release at Bogalusa, Petition for Concursus, Suit No. 73341, 22nd Judicial District Court, Parish of Washington, State of Louisiana. The funds were deposited in the registry of the Clerk of Court for Washington Parish, State of Louisiana.

A temporary restraining order must state reasons for issuance and specific terms without reference

to another document. See *Advent Electronic, Inc. v. Buckman*, 112 F.3d 267 (7th Cir. 1997).

There is no reason given by the district court in the order for restraining Walter C. Dumas and Dumas & Associates Law Corporation from taking steps to prosecute their claims in the two state lawsuits mentioned above as required by Rule 65(b) of the Federal Rules of Civil Procedure.

Additionally, the verified complaint and affidavit by Barcosh, LTD.'s counsel fail to set forth facts to show the immediate and irreparable injury Barcosh, LTD. will suffer if the temporary restraining order is not issued.

Barcosh, LTD. had requested a stay in one of the state cases because of the federal proceedings which was denied due to the court having already ruled that these federal proceedings had nothing to do with the concursus proceedings.

Barcosh, LTD. filed an Exception of Lis Pendens in the concursus proceedings requesting the 22nd Judicial District Court, Washington Parish, Louisiana to do the following:

> " . . . stay the concursus proceedings until a decision is rendered by the federal court in that matter entitled *Barcosh, Ltd. versus Walter C. Dumas and Dumas & Associates Law Corporation*, Civil Action No. 06-616, JJB-SCR, United States District Court, Middle District of Louisiana.

> For judgment recognizing and enforcing the judgment of the Lucas County Common Pleas Court located in Toledo, Ohio, rendered on August 3, 2006, in that matter entitled *Barcosh, Ltd. versus Walter C. Dumas, etc., et al.*, Case No. CI0200601880, Court of Common Pleas, Lucas County, State of Ohio, wherein judgment was rendered in favor of Barcosh, Ltd., and against Walter C. Dumas and Dumas & Associates Law Corporation, jointly and severally, on the two purchase contracts and promissory notes referred to above in paragraphs 7and 8 as follows: (A) On Loan 1 in the amount of $349,871.69 plus interest at the rate of 1.25% per fifteen day period from April 25, 2004 until paid in full; and, (B) On Loan 2 in the amount of $113,776.08 plus interest at the rate of 1.00% per fifteen day period from February 11, 2005 until paid in full, plus costs and attorneys fees."

The 22nd Judicial District Court, Washington Parish, Louisiana, denied Barcosh, LTD.'s Lis Pendens which included Barcosh, LTD.'s request for a judgment recognizing and enforcing the Ohio August 3, 2006 judgment.

The request for the temporary restraining order and writ of sequestration was Barcosh, LTD.'s fourth attempt to seize the funds on deposit in the registry of the Clerk of Court for Washington Parish, Louisiana, which is located in the jurisdiction of the Eastern District of Louisiana.

The first attempt was by garnishment. The second attempt was made when appellee filed a removal motion and a motion to transfer attempting to move the concursus proceedings pending in Washington Parish to the United States District Court for the Eastern District of Louisiana and a Motion to Transfer the Funds to the United States District Court for the Middle District of Louisiana. The Removal Motion was denied and the concursus proceedings were remanded to the 22nd Judicial District Court, Washington Parish, Louisiana. The Motion to Transfer was rendered moot by the United States District Court for the Eastern District of Louisiana.

The third attempt was made by Barcosh, LTD. in a letter to the district judge dated May 11, 2007.

The fourth was the request for Writ of Sequestration.

The concursus proceedings pending in the 22nd Judicial District Court, Parish of Washington, Louisiana, and the proceedings pending in the 19th Judicial District Court, Parish of East Baton Rouge, Louisiana, have nothing to do with the summary judgment granted to Barcosh, LTD. in the district court.

On June 6, 2007, the district court issued its ruling making the temporary restraining order permanent, restraining and permanently enjoining Walter C. Dumas and Dumas & Associates Law Corporation from taking any steps to prosecute any legal actions including, but not limited to, filing any

pleadings or requesting any hearings in the two (2) state court suits.

The Anti-Information Act prohibits the district court from interfering with these state court proceedings.

This Court ruling in *Vines v. University of Louisiana at Monroe,* 398 F.3d 700 (5th Cir. 2005) clearly supports appellants' position.

In *Vines*, the Fifth Circuit stated:

> The Anti-Injunction Act generally prohibits federal courts from interfering with proceedings in state court. 28 U.S.C. §2283 (2004). There are only three specific circumstances in which a federal court can enjoin a state court proceeding, when it is (1) expressly authorized by a federal statute; (2) necessary to assert jurisdiction; or (3) necessary to protect or effectuate a prior judgment by a federal court. Id.; St. Paul Mercury Ins. Co., 332 F.3d at 308-09. The third exception is referred to as the "relitigation" exception. "The relitigation exception was designed to permit a federal court to prevent state litigation of an issue that previously was presented to and decided by the federal court. It is founded in the well-recognized concepts of res judicata and collateral estoppel." Chick Kam Coo v. Exxon Corp. 486 U.S. 140, 147, 108 S. Ct. 1684, 100 L. Ed. 2d 127 (1988).

None of these exceptions exist in this case. More importantly, the district court enjoined a state

proceeding based upon a judgment rendered September 22, 2006, that was issued approximately eight (8) months prior to the April 10, 2007, ruling granting Barcosh, LTD.'s cross-motion for summary judgment. The judgment was signed on April 17, 2007.

Barcosh, LTD. alleged that it would clearly suffer irreparable injury, loss, or damage if defendants are able to *unlawfully* extract the monies held in the registry of the 22nd Judicial District Court. It is common knowledge that funds deposited in the registry of the court can only be withdrawn by an order of the court. Therefore, without a court order the funds can not be released.

The district court later issued a supplemental reason for injunctive relief and judgment.

After the funds were seized from the registry of the Clerk of Court for the 22nd Judicial District Court, Parish of Washington, Louisiana, and deposited in the registry of the district court, Barcosh, LTD. filed a Motion for Withdrawal and Release of Funds deposited in the registry of the district court.

The funds in the registry of the district court were improperly transferred from the United States District Court for the Eastern District of Louisiana to the United States District Court for the Middle District of Louisiana. The funds were not subject to any judgments or orders issued by the district court. The rendering of the prior rulings and judgments by the district court did not make Barcosh, LTD., owner

of the funds that were on deposit in the registry of the court for the 22nd Judicial District Court.

Barcosh, LTD., filed a Motion for Withdrawal and Release of Funds in the registry of the court pursuant to 28 U.S.C. § 2042 and previous rulings, orders and judgments of the district court and it was granted by the district court. Barcosh, LTD., failed in its motion to prove ownership of the deposited funds and the Motion for Withdrawal and Release of Funds should have been denied.

CONCLUSION AND RELIEF SOUGHT

The complaint herein is based upon the same transaction or occurrence that has been adjudicated by a judgment rendered on September 22, 2006, in the 19th Judicial District Court, Parish of East Baton Rouge, Louisiana, and is barred by *res judicata* and preclusion by judgment.

This Honorable Court should grant petitioners' writ application and reverse the Judgment of the Fifth Circuit Court of Appeal.

Alternatively, and only in the alternative, Walter C. Dumas and/or Dumas & Associates Law Corporation pray that they be granted a new trial or be

relieved from the Judgment of the Fifth Circuit Court of Appeal.

Respectfully submitted,

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Attorneys for Petitioners
Walter C. Dumas and Dumas
& Associates Law Corporation

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 07-30566
No. 07-30613
No. 07-30768

BARCOSH LTD.

Plaintiff-Appellee

v.

WALTER C. DUMAS; DUMAS & ASSOCIATES LAW CORPORATION

Defendants-Appellants

Appeals from the United States District Court
Middle District of Louisiana
USDC No. 3:06-CV-616

(Filed March 20, 2008)

Before JONES, Chief Judge, and DAVIS and GARZA, Circuit Judges.

PER CURIAM:*

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* Pursuant to 5TH CIR. R. 47.5, the court has determined that this opinion should not be published and is not precedent except under the limited circumstances set forth in 5TH CIR. R. 47.5.4.

Barcosh sued Walter C. Dumas and Dumas & Associates (collectively, "Dumas") on a debt in Ohio state court and obtained a default judgment in August 2006. Barcosh then brought an action in the U.S. District Court for the Middle District of Louisiana ("Middle District") to enforce that judgment. Barcosh prevailed at every stage below, and Dumas appealed at every stage, as will be described. The appeals are meritless.

First, the Middle District granted Barcosh's motion for summary judgment, ruling that the August 2006 Ohio judgment was valid and enforceable. Dumas appealed that ruling to this Court in case number 07-30613. Shortly thereafter, the Middle District learned that Dumas was working in Louisiana state court in an apparent effort to relitigate the enforceability of the August 2006 judgment. Dumas also was attempting to extract funds held in the registry of the 22nd Judicial District Court of Louisiana – funds that Dumas had expressly pledged as security for the debt to Barcosh. The Middle District enjoined Dumas's actions and ordered that the funds held by the 22nd District be transferred to the registry of the Middle District. Dumas appealed these orders in appeal number 07-30566. Most recently, the Middle District ordered that the pledged funds be released to Barcosh in partial satisfaction of the August 2006 Ohio judgment. Dumas appealed this order in appeal number 07-30768. All three of Dumas's appeals are consolidated here for administrative purposes.

The procedural background of this case is extensive, but the following facts will suffice. There were two separate default judgments from the Ohio court, and two separate enforcement actions in Louisiana. The first Ohio judgment was entered against Dumas in April 2006, and Barcosh brought an action in Louisiana state court to enforce it. That Louisiana state court action was dismissed without prejudice when Barcosh agreed to set aside the April 2006 judgment and allow Dumas additional time to answer in Ohio. After Dumas failed to answer, the Ohio court issued a second default judgment against Dumas in August 2006. Barcosh filed the present lawsuit in the Middle District to enforce this second, August 2006 judgment.

Dumas's main argument in all three appeals is that *res judicata* prevents the Middle District action from going forward. Specifically, Dumas claims both the Louisiana state court enforcement action and the Middle District enforcement action are based on the same subject matter, namely, the substantive debt Dumas owes Barcosh. This argument is meritless. The subject matter of an enforcement action is the foreign judgment itself, not the underlying claim that has already been adjudicated. As the district court noted, "matters of enforcement are based on the *fact of* the judgment rather than the *facts behind* the judgment." Here, neither the Louisiana court nor the Middle District was required (or permitted) to look into the merits of Dumas's underlying debt to Barcosh. *See Milwaukee County v. M.E. White Co.*, 296

U.S. 268, 275-76 (1935). Rather, each court was concerned only with the foreign judgment before it, and in this case there were two distinct judgments. The record reflects that the Louisiana state court action concerned only the enforcement of the April 2006 judgment. When the April 2006 judgment was set aside for procedural reasons, the Louisiana state court action was dismissed without prejudice. Those proceedings implicated neither the validity of Dumas's underlying debt nor the August 2006 judgment on it. Accordingly, the district court's summary judgment in favor of Barcosh is affirmed.

Nor did the district court abuse its discretion in the other matters on appeal including, *inter alia,* the enforceability of the August 2006 judgment, the propriety of injunctive relief, the sequestration of funds, and the release of funds to Barcosh. These issues were properly addressed by the district court and require no further discussion. For essentially the same reasons stated below, the judgments of the district court in all three appeals before this Court are AFFIRMED.

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA

BARCOSH, LTD.
VERSUS
WALTER C. DUMAS, ET AL.

CIVIL ACTION
NO. 06-616-JJB

FINAL JUDGMENT AND ORDER

(Filed Apr. 17, 2007)

For written reasons assigned (docs. 46 and 47).

IT IS ORDERED, ADJUDGED AND DECREED that plaintiff Barcosh, Ltd. is entitled to recognition and enforcement of the default judgment rendered against defendants Walter C. Dumas and Dumas & Associates Law Corporation on August 3, 2007, in the Court of Common Pleas of Lucas County, Ohio.

IT IS FURTHER ORDERED that plaintiff may proceed with execution of the judgment in accordance with law. A copy of said judgment is attached as Exh. "A".

Baton Rouge, Louisiana, April 17th 2007.

/s/ James J. Brady
JAMES J. BRADY, JUDGE
MIDDLE DISTRICT
OF LOUISIANA

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA

BARCOSH, LTD. **CIVIL ACTION**
Plaintiff **NO. 06-616-JJB-SCR**

VERSUS

WALTER C. DUMAS, and DUMAS & ASSOCIATES LAW CORPORATION

Defendants

****

JUDGMENT

(Filed Jun. 7, 2007)

This matter came before the Court this date on plaintiff's, Barcosh, Ltd.'s, motion for preliminary and permanent injunctions. Present in Court on behalf of plaintiff were L. J. Hymel, John C. Anderson and Tim P. Hartdegen. Present on behalf of defendants, was Travis Turner.

After considering the evidence adduced, argument of counsel, the law and for oral reasons this date assigned:

IT IS ORDERED, ADJUDGED AND DECREED that the temporary restraining order previously issued in these proceedings on May 30, 2007, be made permanent.

IT IS FURTHER ORDERED that the defendants, their agents and attorneys be, and they hereby

are, restrained and permanently enjoined from taking any steps to prosecute any legal actions, including but not limited to, filing any pleadings, or requesting any hearings, in those two state court actions (hereinafter referred to as the "State Court Lawsuits"), the first of which is entitled "Barcosh, Ltd. v. Walter C. Dumas, et al, No. 542807, 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana" and the second of which is entitled "In re: Chemical Release at Bogalusa, Petition for Concursus, Suit No. 73341, 22nd Judicial District Court, Parish of Washington, State of Louisiana."

IT IS FURTHER ORDERED that the defendants, their agents and attorneys be, and they hereby are, restrained and permanently enjoined from taking any action or attempting to take any action to extract any funds or sums of money from the registry of this Court or the registries of the two state courts in the 19th Judicial District and the 22nd Judicial District in the two State Court Lawsuits.

IT IS FURTHER ORDERED that the two state court lawsuits be, and are hereby, restrained and permanently enjoined from proceeding any further or acting in any manner.

IT IS FURTHER ORDERED that the writ of sequestration previously issued on May 30, 2007, be, and is hereby recognized directing the Clerk of Court for the Middle District of Louisiana to direct the United States Marshal's Office for the Middle District of Louisiana, and to the extent appropriate and/or

required by law, direct the United States Marshal's Office for the Eastern District of Louisiana to seize, take into their possession and custody, and to deposit in the registry of this Court any and all sums held by the Clerk of Court for Washington Parish, Louisiana, which are held under a Petition for Concursus in the legal action entitled "In re: Chemical Release at Bogalusa, Petition for Concursus, Suit No. 73341, 22nd Judicial District Court, Parish of Washington, State of Louisiana."

IT IS FURTHER ORDERED that the Clerk of this Court hold said funds in the registry of this Court pending further court order.

IT IS FURTHER ORDERED that no bond is required of plaintiff, Barcosh, Ltd.

JUDGMENT RENDERED IN OPEN COURT on the 6th day of June, 2007, at 10:45 A. M.

JUDGMENT SIGNED on this 7th day of June, 2007, at 11:10 A o'clock A. M. in Baton Rouge, Louisiana.

/s/ James Brady
JAMES J. BRADY
UNITED STATES DISTRICT JUDGE
MIDDLE DISTRICT OF LOUISIANA

IN THE COURT OF COMMON PLEAS
OF LUCAS COUNTY, OHIO

BARCOSH, LTD.,	CASE NO. CI0200601880
Plaintiff,	JUDGE DARTT
vs.	**JUDGMENT ENTRY**
WALTER C. DUMAS, etc., et al.,	(Filed Aug. 3, 2006)
Defendants	

****

This cause came on for hearing upon Plaintiff's Complaint, and the Court finds that Defendants Walter C. Dumas, Individually, and Walter C. Dumas for Dumas and Associates Law Corporation are in default for failure to answer or otherwise plead, and Plaintiff is entitled to judgment in its favor.

It is therefore ORDERED, ADJUDGED AND DECREED that Plaintiff have judgment against Defendants Walter C. Dumas, Individually, and Walter C. Dumas for Dumas and Associates Law Corporation, jointly and severally, as follows:

(A) On Loan 1 in the amount of $349,871.69 plus interest at the rate of 1.25% per fifteen day period from April 25, 2004 until paid in full;

(B) On Loan 2 in the amount of $113,776.08 plus interest at the rate of 1.00% per fifteen day period from February 11, 2005 until paid in full;

(C) The costs of this action in the amount of $136.00; and

(D) Attorney fees in the amount of $20,776.81.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Security Agreement and the Absolute, Unconditional, and Irrevocable Transfer, Sale and Assignment be, and are hereby recognized.

/s/ [Illegible] Yarbrough
for JUDGE DENISE ANN DARTT
Judge Steve Yarbrough

BARCOSH, LTD.	NO. 542807	DIV. D
VS.	19th JUDICIAL DISTRICT COURT	
WALTER C. DUMAS, FOR THE DUMAS & ASSOCIATES LAW CORPORATION AND WALTER C. DUMAS, INDIVIDUALLY	PARISH OF EAST BATON ROUGE STATE OF LOUISIANA	

ORAL REASONS FOR JUDGMENT

(Filed May 15, 2007)

BY THE COURT:

The Court has carefully reviewed this matter and is firmly of the opinion that the August 3rd, 2006 judgment is barred by *res judicata* and is preclusion inasmuch as the plaintiff failed to include and bring all of the causes of action it may have had against defendants. Therefore, the Court is going to grant leave to file supplemental and amending petition. Judgment to be signed accordingly.

BARCOSH, LTD.	NUMBER: 542807
	DIVISION: "D"
VERSUS	
WALTER C. DUMAS, for the DUMAS & ASSOCIATES LAW CORPORATION and WALTER C. DUMAS, individually	19th JUDICIAL DISTRICT COURT
	PARISH OF EAST BATON ROUGE
	STATE OF LOUISIANA

JUDGMENT

The Motion for Summary Judgment filed herein by Walter C. Dumas, for the Dumas & Associates Law Corporation and Walter C. Dumas, individually, came for hearing on September 22, 2006.

After considering the evidence, pleadings, memorandum and the argument of counsel, and for oral reasons assigned;

IT IS ORDERED that the Motion for Summary Judgment filed by Walter C. Dumas, for the Dumas & Associates Law Corporation and Walter C. Dumas, individually is hereby granted

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that Barcosh, LTD's claims against Walter C. Dumas, for the Dumas & Associates Law Corporation and Walter C. Dumas, individually are hereby dismissed with prejudice at Barcosh LTD's costs.

JUDGMENT READ, RENDERED AND SIGNED this 22 day of Sept. 2006, Baton Rouge, Louisiana.

/s/ Janice Clark
HONORABLE JANICE CLARK
19TH JUDICIAL DISTRICT COURT

Respectfully submitted:

DUMAS & ASSOCIATES
LAW CORPORATION
The Lawyer's Complex
1263 Government Street
Post Office Box 1366
Baton Rouge, Louisiana 70821-1366
Telephone: (225) 383-4701

By: /s/ Travis Turner
Travis J. Turner
Bar Roll No.: 29462

I hereby certify that on this day a notice of the above judgment was mailed by me, with sufficient postage affixed, to: Anderson, Turner

Done and signed on 9-28-06
/s/ E. Knight
Deputy Clerk of Court

COGNOVIT PROMISSORY NOTE

$349,871.69 Date: October 28, 2003

FOR VALUE RECEIVED, Walter C. Dumas and Dumas & Associates Law Corporation (Maker) promises to pay **CORE FUNDING GROUP, L.P.** (Holder), a Texas limited partnership with its principal office located at 11200 Westheimer, Suite 620, Houston, TX 77042 the sum of Three Hundred Forty-Nine Thousand Eight Hundred Seventy-One and 69/00($349,871.69) Dollars to paid as follows.

The principal shall be paid on or before: April 26, 2004 (the Due Date).

Maker(s) shall have the right of repayment of this Note at any time.

All payments shall be made in lawful legal tender money of the United States of America at the office of the holder hereof at 11200 Westheimer, Suite 620, Houston, TX 77042 or at such other place as the holder hereof may, from time to time, designate in writing without presentment of this Note.

If default shall be made in the making of any payment required hereunder and such default shall continue for fourteen (14) days, the total amount of this obligation shall become immediately due and payable and shall bear interest at the rate of 1.00% percent per ten-day period from the Due Date (or earlier acceleration thereof or from any permitted extension thereof). All interest calculations shall be

made on the basis of a three hundred sixty (360) day year, which shall be calculated on the actual number of days in each month. All costs of collection shall be paid by the Maker(s) including reasonable attorney fees and all court costs.

The granting, with or without notice, of any extensions of time for the repayment of any sum or sums due hereunder or the taking of or release of any security shall in no way release or discharge the liability of any Maker(s), endorser or guarantor hereof and shall not constitute waiver of any of the rights of Holder which may be exercised at Holder's sole discretion.

This Note is secured by a Security Agreement by which Maker(s) grants Core Funding Group a security interest and a lien on my attorney fee expectation in the following case(s):

a) *In Re Chemical Release at Bogalusa* in the 22nd Judicial District Court, Parish of Washington, State of Louisiana Case Number: 7334

b) Should the specifically-pledged cases mentioned above not be sufficient to retire the this Note, Maker also agrees to pledge accounts, accounts receivable, attorney fee receivables, referral fee receivables, contract rights, bank depository accounts and general intangibles, and other evidences of amounts owed to Grantor whatsoever, as well as Grantor's attorney fee expectation for all work in

progress whether presently existing or hereafter acquired or arising and no matter where located.

Initials WCD

* * *

EXHIBIT A

As used in the PC, the Assignment and other transaction documents (if any), the following terms shall have the meanings given them hereinafter:

Seller Information:
Name: Walter C. Dumas & Dumas & Associates Law Corporation
Address: 1263 Government Street, Baton Rouge, LA 70821-1366
Phone Number: 225-383-4701
Tax I.D. Number: *_____
Social Security Number: *_____

Settlement/Lawsuit/Annuity Information:
Case Caption: In Re Chemical Release at Bogalusa
Case Number: 73341
Court: 22nd Judicial District Court, Parish of Washington, State of Louisiana
Presiding Judge: *_____
Plaintiff(s)/Claimants: *_____
Defendant(s) various railroad companies, insurers and chemical companies
Date of Settlement Agreement/Court Order or Trial Date (circle which): *_____
Estimated Minimum Fee to be received: *_____

Remaining Balance (details all payments yet to be received by Seller under the above Settlement Agreement/Court Order/Annuity): *_____

Subject Payment (details only that/those payment(s) being sold by Seller to Purchaser): One lump sum payment of $349,871.69*

*the $349,871.69 Subject Payment amount assumes the payoff on the Due Date. Payoff of the Subject Payment amount either prior to or after the Due Date will be pursuant to the following terms:

> there is a "flat minimum charge" of 3% for the first 30 days (i.e. 3% of $9,000, or $, for a 30-day payoff amount of $309,000). Thereafter for the next one hundred fifty (150) days (i.e. up through the Due Date), the charge will be 1.25% for each 15 day window that opens up. After one hundred eighty days (180) days (i.e. after the Due Date) the rate will be 1.25% for each 15-day period until the obligation is satisfied in full.

Due Date (date on or before which Purchaser is to receive the Subject Payment): April 25, 2004

Purchase Price (amount to be paid to Seller by Purchaser to purchase the Subject Payment): April 25, 2004

Seller hereby expressly represents and warrants that all of the above information is true, correct and complete, and that Purchaser may rely upon same.

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* to be provided by Seller

Date: 10-28-03 Signature:
/s/ Walter Dumas
Walter Dumas, Individually

Date: 10-28-03 Signature:
/s/ Walter C. Dumas
Authorized Signatory
for Dumas & Associates
Law Corporation, A
Professional Corporation

ABSOLUTE, UNCONDITIONAL, AND IRREVOCABLE TRANSFER, SALE AND ASSIGNMENT

This ABSOLUTE, UNCONDITIONAL, AND IRREVOCABLE TRANSFER, SALE AND ASSIGNMENT (this "Assignment") is executed effective as of October 28, 2003 by Walter C. Dumas and Dumas & Associates Law Corporation of 1264 Government Street, Baton Rouge, LA 70821 as assignor (the "Seller"), in favor of Core Funding Group, L.P. as assignee (the "Purchaser"). All capitalized forms not otherwise defined herein shall have the meanings given to them in *Exhibit A* which is attached hereto and incorporated herein for all purposes by this reference.

RECITALS:

The Seller, the Remaining Balance and the Subject Payment (i.e. that which is being assigned hereby are all described in further detail on Exhibit

A). On October 28, 2003 Seller and Purchaser entered into a Purchase Contract (the "PC") providing for Seller's sale, transfer, and conveyance to Purchaser of all of the Remaining Balance, to the extent of the Subject Payment(s) purchased.

In order to induce the Purchaser to purchase and accept same and pay to Seller the Purchase Price provided for in the PC, the Seller desires and has agreed to sell, transfer, and convey to Purchaser all such benefits and the proceeds thereof to the extent necessary for Purchaser to receive the benefit of its bargain; all as set forth in the succeeding provisions of this Assignment (which shall control over any conflicting or inconsistent recitals set forth above).

ASSIGNMENTS AND AGREEMENTS:

In consideration of the above premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Seller does hereby agree as follows:

1. *Assignment With Warranty of Title.* Seller has TRANSFERRED, SOLD, ASSIGNED, GRANTED, AND CONVEYED and by these presents hereby TRANSFERS, SELLS, ASSIGNS, GRANTS AND CONVEYS unto the Purchaser all of Seller's right, title and interest in, to and under the Remaining Balance, but only to the extent necessary for Purchase to receive the benefit of its bargain hereunder, (i.e. the Subject Payment) – see Exhibit A;

TO HAVE AND TO HOLD the above rights, titles, estates, interests, powers, privileges, and benefits unto Purchaser, its heirs, executors, administrators, representatives, successors, and assigns forever, and Seller does hereby bind Seller and Seller's estate, heirs, executors, administrators, legal representatives, successors, and assigns to WARRANT AND FOREVER DEFEND, all and Singular the Subject Payment unto Purchaser, his heirs, executors, administrators, representatives, successors, and assigns against every person whomsoever claiming any interest whatsoever in, to or under the Settlement or any part thereof. Notwithstanding anything to the contrary in the PC, Seller's sale and Assignment of the above described beneficiary's rights is intended to be, and shall be, binding upon Seller's estate, and Seller's heirs, executors, and administrators, notwithstanding any designation of Seller's estate (or any other person) to the contrary.

2. *No Assumption By Purchaser.* Seller hereby expressly acknowledges that Seller is retaining any and all of the duties, liabilities, and obligations of Seller under the Settlement, Lawsuit, Annuity, etc., and all other documents executed in connection with or otherwise related to any of the foregoing. Any acceptance of the Subject Payment by Purchaser shall be deemed to be an express disclaimer of any assumption by Purchaser of any such duty, liability, or obligation. Seller agrees to indemnify, hold harmless, and defend Purchaser from and against any such duties, liabilities, or obligations.

3. *Powers and Warranties.* Seller has all requisite power and authority to make this Assignment. All of the representations and warranties of the Seller under the PC Exhibit A and the Seller's Affidavit (if required) are incorporated herein by this reference and confirmed and restated as of the date hereof as remaining and being entirely true and correct.

4. *Binding Agreement.* Subject to the restrictions on transfers and encumbrances set forth herein, this Assignment shall inure to the benefit of and be binding upon the undersigned Seller and Seller's estate, heirs, executors, administrators, representatives, successors, and assigns. No mention herein of assigns of the Seller shall be construed as permitting or authorizing Seller's assignment of any portion of the PC or Seller's duties, obligations, and liabilities hereunder and thereunder, all of which shall be and are hereby made expressly non-assignable.

5. *Purchaser's Right to Assign.* Purchaser (and each and any assignee of Purchaser) may assign its right, title, and interest in and to this Assignment and the Subject Payment without any requirement of prior consent from or notice to the Seller. Seller agrees expressly that upon any such assignment, Purchaser shall without any requirement of further documentation, be released automatically from any liability hereunder and thereunder. Without limiting the breadth of the foregoing sentence, Seller shall, upon request of Purchaser or any successive Purchaser execute and deliver any such documents as Purchaser

may require to effectuate and consummate this transaction, as assigned.

6. *Severability.* In the event that any provision of this Assignment or the application thereof to any person or circumstance is determined to be to any extent unenforceable under, or contrary to, any existing or then existing local, state or federal law, regulation, rule, or order, then said provision shall be deemed excised therefrom with respect to, and shall be deemed a nullity as applied to, such person or circumstance, as the case may be, without in any way affecting any other provision hereunder or the application of such provision to different persons or circumstances, the remainder of the Assignment to be enforced without regard to the excised and nullified portion. Provided, however, that the parties agree to negotiate in good faith to implement any modifications of the excised and nullified provision and/or this Assignment to the extent, but only to the extent, clearly necessary in order to maintain or obtain the enforceability of the Assignment in accordance with the actual intent of the parties hereto as evidenced herein and by the PC on the date that this Assignment is executed and accepted by the parties hereto (as evidenced hereby). Any such finding of unenforceability or invalidity shall not prevent the enforcement of said provision in any other jurisdiction to the maximum extent permitted by applicable law.

7. *Survival.* All of the representations, warranties, covenants, agreements, indemnifications, obligations, duties, and liabilities of Seller and Purchaser set

forth in the express provisions of this Assignment, and the PC, shall survive until the receipt by Purchaser, its assignee/designee of good funds representing the last of the Subject Payment.

IN WITNESS WHEREOF, the Seller has caused this Assignment to be executed effective as of the date first stated above.

SELLER
/s/ Walter C. Dumas
Walter C. Dumas,
Individually

/s/ Walter C. Dumas
Authorized Signatory
for Dumas & Associates
Law Corporation

STATE OF LOUISIANA)
PARISH) SS:
~~COUNTY~~ of EAST BATON ROUGE)

This instrument was sworn and subscribed to before me on 10-28, 2003 by WALTER C. DUMAS and WALTER C. DUMAS, as authorized signatory for Dumas & Associates Law Corporation.

[SEAL] /s/ Patti Durio Hatch
Notary Public in and for the State of Louisiana

Printed Name: Patti Durio Hatch

My Commission Expires: at death

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is made and entered into this 28th day of October 2003 by Walter C. Dumas, Individually and Dumas & Associates Law Corporation of 1263 Government

Street, Baton Rouge, LA 70821 (hereinafter collectively "Grantor") for the benefit of Core Funding Group, L.P., a Texas limited partnership, 11200 Westheimer, Suite 620, Houston, TX 77042 ("Secured Party").

As one of the conditions to consummating the transaction contemplated by the "Offer to Purchas/Purchase Contract" dated October 28, 2003, by and between Grantor and Secured Party, Secured Party has required that Grantor execute and deliver this Security Agreement as security for the performance of Grantor's obligations under the Offer to Purchase/Purchase Contract and the Cognovit Promissory Note ("Note). Grantor has agreed to enter into this Security Agreement, and Grantor's agreement to do so was and is a material inducement to Secured Party to likewise enter into the transaction contemplated by the Contract Documents.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged and confessed by Grantor, Grantor hereby agrees as follows:

SECTION ONE

DESCRIPTION OF SECURITY PLEDGED

A. Note

Pursuant to the Note, executed and given by Grantor for value received, Grantor has promised to

pay to Secured Party, its assignee or designee on or before the Due Date, the sum of $349,871.69. The Note (while it may or may not necessarily be security for the repayment of the contracted for sum) is a negotiable instrument for all purposes, and shall be conclusive evidence of Grantor/Debtor's absolute obligation to repay, as and when due, the Purchased Amount under the Purchase Contract.

Grantor has delivered to Secured Party (or subsequent to the execution hereof, will deliver to Secured Party as soon as possible pursuant hereto), the Note, together with all of the hereinafter-indicated security. Failure to timely deliver the Note and all of the Collateral pledged hereby shall be an event of default/breach of contract, entitling Secured Party to pursue all legal remedies, including, but not limited to, those provided for hereinafter.

B. Description of Collateral Other than Note Securing Performance

1. Grantor hereby pledges all of Grantor's accounts, accounts receivable, attorney fee receivables, referral fee receivables, contract rights, bank depository accounts and general intangibles, and other evidences of amounts owed to Grantor whatsoever, as well as Grantor's attorney fee expectation for all work in progress whether presently existing or hereafter acquired or arising and no matter where located, all of which have been pledged as security for the payment of the

Purchased Fees plus accrued interest. *Exclusion from Collateral*; "Collateral" shall not include funds on deposit in trust account(s) or escrow accounts(s) maintained by you or other properly under your control but which are required by your state bar to be segregated from your personal assets.

2. Grantor specifically pledges Grantor's expectation of receiving an attorney fee from the following case(s) as specific collateral for this transaction, which, together with any proceeds thereof relating thereto, shall be subject to the escrow provision set forth in Subsection C hereinafter:

   a. *In Re Chemical Release at Bogalusa* in the 22nd Judicial District Court Parish of Washington, State of Louisiana Case Number: 73341

C. Escrow Requirement with Respect to Specifically Pledged Collateral

Grantor shall immediately upon receipt of attorney fees (after payment of a referral fee, if any) in the above-referenced cases listed in Section One (B)(2) notify Secured Party of Grantor's receipt of same and shall place said pledged fees into Grantor's IOLTA trust account. Grantor shall continue to escrow in the above manner any and all funds received on cases specifically pledged in Section One (B)(2) until the end of each month, upon which time Grantor shall remit those funds directly to Core Funding Group. This procedure shall continue until Grantor's note

and all other sums due and payable to Lender, if any, have been paid to Secured Party. Regular monthly reports shall be furnished to Secured Party regarding any escrowed funds in Grantor's trust account. Funds in Grantor's trust account in which Secured Party has an interest shall not be paid to anyone except Secured Party.

SECTION TWO
DEFINITIONS

Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth for same in the Purchase Contract or other Contract Documents where defined.

The term "Liabilities" is defined for purposes hereof as the Note, this Agreement, the Offer to Purchase/Purchase Contract, and all other obligations of any kind owed by Grantor to Secured Party, including, but not limited to, any costs/expenses (including attorney fees) associated with enforcement/collection of the Note and/or disposal of Collateral in an attempt to satisfy same.

The term "Collateral" is defined as Grantor's attorney fee expectation in the case(s) listed in Section One (B)(2) of this agreement and all property indicated in the description of collateral in Section One (B)(1)(2) of this Agreement, including any distributions with respect thereto and/or proceeds thereof. Provided, however, that all tangible, intangible and

other property whatsoever not subject to any security interest is also at risk by Grantor in satisfaction of the liability provided for in the Note and Contract Documents.

The term "Note" means the Cognovit Promissory Note.

The term "Contract Documents" means the Note, the Security Agreement, and the Offer to Purchase/Purchase Contract.

Unless the context requires otherwise (e.g. the term in question has been previously defined in this or another Contract Document), all terms used herein shall be construed as defined in the Uniform Commercial Code of Ohio and shall have the meaning stated therein.

SECTION THREE

REPRESENTATIONS AND WARRANTIES

Regarding any loan extended by Secured Party to Grantor, Grantor warrants that Grantor will use such funds for business purposes and that such funds will not be used for consumer, family or household needs.

All of the representations and warranties made and set forth in the Purchase Contract and other Contract Documents are hereby expressly incorporated herein by reference.

All statements made with respect to the Collateral (e.g. existence, title to, value of, etc.) are true and accurate.

Grantor shall not, either before or after the closing on the transaction contemplated by this Agreement and the other Contract Documents, cause or permit any act or omission that could result in any waste, impairment or diminution in the value of the Collateral pledged hereby, or which could otherwise negatively affect the practical benefit of Secured Party's bargain obtained under this Agreement and the other Contract Documents.

Grantor will not cause to be placed, or suffer or permit to be placed, any liens, encumbrances, etc., other than Secured Party's, upon any of the Collateral or any other assets of Grantor which may be utilized to satisfy Grantor's obligation/liabilities to Secured Party under the Note and other Contract Documents.

Regarding any attorney fee funds due and owing to Secured Party, resulting from legal fees received by Grantor from cases pledged as collateral in Section One (B)(2) of this instrument Grantor warrants and promises that he will act in a fiduciary and trustee capacity towards Secured Party.

SECTION FOUR
DUTIES OF GRANTOR

In addition to any other duties required elsewhere hereunder or under any other Contract Document(s), at any time, and from time to time, upon demand of Secured Party, Grantor shall: (1) Deliver and pledge to Secured Party, endorsed or accompanied by whatever instrument or assignment, and in whatever form Secured Party may request, any other instrument, document, paper or other writing as Secured Party may specify with respect to the Collateral hereunder; (2) Give, execute or record any notice, document or other paper or writing that Secured Party to enforce its rights; (3) Keep and mark all documents, chattel paper and records relating to inventory, accounts, contracts and any other writing that Secured Party may require with respect to the Collateral; (4) Permit the agents or representatives of the Secured Party in any time to inspect the records with respect to the Collateral provided; (5) Cooperate with Secured Party in any manner deemed necessary/desirable by Secured Party to protect Secured Party's investment and/or to perfect its interest in the Collateral pledged as security hereby; (6) Immediately notify Secured Party regarding any attorney fees received from cases listed in Subsection One (B)(2) of this instrument; (7) Immediately notify Secured Party of any breach of contact and/or of the escrow provisions set forth herein in Section One.

SECTION FIVE

FILING FINANCING STATEMENTS

Secured Party, in its discretion, may file (and Grantor shall cooperate in the preparation and filing of) one or more UCC financing statements under appropriate Federal or State Laws naming Grantor as Grantor and Secured Party as Secured Party and indicating any and all of the Collateral. For so long as Grantor has any repayment obligation (owes any money) to Secured Party, without prior written consent of Secured Party, Grantor shall not file or permit to be filed with respect to the Collateral any financing statement in which Secured Party is not named as the sole secured party.

Secured Party shall have the right, at any time, to execute and file this Agreement as a UCC financing statement, and/or to prepare and file other financing statements as provided for elsewhere herein, but the failure to do so shall not impair the validity or enforceability of this Agreement.

SECTION SIX

COLLATERAL UNDER CONTROL OF SECURED PARTY

If the Collateral, or any part thereof, shall at any time come under the control of the Secured Party or any of its agents, servants or representatives, the Secured Party, in its sole discretion, may transfer or

register, in the name of itself or its nominee, any of the Collateral.

Subject to the escrow provisions, set forth in Section One (C) hereinabove, Secured Party shall receive any income, benefits or other rights with respect to the Collateral provided and may treat the Collateral as its own property on such terms as the Secured Party deems best and exercise any power with respect to the Collateral with the same force and effect as though the Secured Party were the absolute owner thereof. The Secured Party need not give notice of its actions described herein and shall not be liable except to account for property actually received by it.

SECTION SEVEN

DEFAULT

1. On default of Grantor in connection with any of the Liabilities, including, but not limited to, any breach of any provision of any Contract Document whether such default be that of the Grantor or other party obligated, Grantor shall, on the written request of Secured Party, assemble the Collateral at the place Secured Party designates in its request. Secured Party shall have the same rights and remedies with respect to the Collateral as does a secured party under the Uniform Commercial Code and shall have all rights held by the Grantor with respect to the Collateral.

2. The Grantor shall also be in default under this Agreement on the occurrence of any of the following events or conditions:

a) If Secured Party fails to receive all contracted-for amounts (i.e. repayment of the Purchased Fee Amount plus any other contractually agreed-upon amount, if any), on or before the Due Date and/or if the Grantor fails to pay when due any indebtedness secured by this Agreement, either principal or interest;

b) If the Grantor defaults in the punctual performance of any of he obligations, covenants, terms, or provisions contained or referred to in this Agreement, the Note or any other Contract Document;

c) If any warranty, representation, or statement contained in this Agreement, or any other Closing Document, or made or furnished to the Secured Party by or on behalf of the Grantor in connection with same, or made or furnished to induce the Secured Party to purchase the Purchased Fees from Grantor, proves to have been false in any material respect when made or furnished;

d) If there is any loss, theft, substantial damage, destruction, sale or encumbrance of or to any of the Collateral or any assertion or making of any levy, seizure, or attachment of or on the Collateral;

e) If the Grantor dies, dissolves, terminates its existence, or fails in business; if a receiver is

appointed for all or any part of the property of the Grantor; if there is an assignment for the benefit of creditors by the Grantor; or if a meeting of creditors of the Grantor is called;

f) If any statement of the financial condition of the Grantor or of any guarantor, surety, or endorser of any liability of the Grantor to the Secured Party submitted to the Secured Party by the Grantor or any such guarantor, surety, or endorser proves to be false;

g) If the Collateral becomes, in the judgment of the Secured Party, unsatisfactory or insufficient in character or value;

h) If any guarantor, surety, or endorser for Grantor defaults in any obligation or liability to the Secured Party;

i) If the Secured Party receives notice at any time from any third party that the third party is acquiring or attempting to acquire a security interest of any kind in any of the Collateral that is the subject of this Agreement;

j) If the Secured Party learns that Grantor has violated, plans to violate, or has a record or reputation for violating any federal or state law relating to liquor, narcotics, or any commercial crime;

k) If Grantor removes or replaces any of the component parts of Collateral and/or materially impairs/lessens the market value of the Collateral;

l) Failure by Grantor to immediately notify Secured Party of Grantor's receipt of attorney fees from any specifically pledged collateral under Section One (B)(2) of this instrument; or

m) Failure by Grantor to immediately notify Secured Party of any breach by Grantor of the escrow provisions contained in Section One (C) or of any other breach of any of the Contract Documents.

n) If any insurance insuring the Collateral and the respective interests of the parties in the Collateral is canceled for any reason and Grantor fails or refuses to furnish written proof to the Secured Party that Grantor has obtained substitute insurance coverage replacing the canceled policies;

SECTION EIGHT

REMEDIES

1. Upon the occurrence of any event of default which is described in Section Seven hereof or in any of the Contract Documents, and at any time after default, Secured Party may declare any and/or all secured and/or unsecured obligations immediately due and payable and may proceed to enforce payment of the obligations and exercise any and all of the rights and remedies provided by the Uniform Commercial Code (including, but not limited to proceeding against any Collateral pledged hereunder), as well as exercising any

and/or all other rights and remedies at law or in equity possessed by Secured Party including but not limited to putting opposing counsel and or an adjuster for a case specifically pledged as collateral in Section One (B)(2) on notice (by certified mail, intervention in a legal proceeding or otherwise) of Secured Party's lien and requesting that Secured Party's name be placed on any settlement check or payments of judgment.

2. All rights and remedies of the Secured Party under this Agreement are cumulative with any right or remedy that Secured Party may have at law or in equity or under any other contract or document for the enforcement of the security interest created in this Agreement or the collection of the debt, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of any other rights or remedies.

SECTION NINE

COST OF COLLECTION

Grantor shall pay to Secured Party all expenses incurred by Secured Party, including reasonable attorneys' fees expended by Secured Party in enforcing any of the provisions of this Agreement and/or any other Contract Document(s) including attorney fees for obtaining a judgment and, in addition, attorney fees incurred in enforcement of any judgment.

SECTION TEN

ACCELERATION CLAUSE/DEFAULT RATE

In addition to any other rights/remedies set forth in this Agreement, and/or any of the other Contract Documents, and in addition to any other rights/remedies Secured Party may have in law/equity, if Grantor fails to timely furnish to Secured Party attorney fees Grantor received from case(s) specifically pledged as collateral under Section One (B)(2) of this instrument, or should Grantor fail to make payment of the Note as and when due (e.g. on the Due Date, or, if applicable, on the Extended Due Date) or upon the happening of any other event of default, then all sums payable to Secured Party under the Purchase Contract and/or the other Contract Documents (including but not limited to, the Note) shall be immediately accelerated and due and payable to Secured Party/its Assignee or designee. In the event of such an acceleration, then interest shall immediately begin to run and be due and payable on the outstanding Purchased Fees of the Note/outstanding balance of the Purchased Fees, at the Default Rate of 1.25% (one and one quarter percent) interest per ten (10) day period thereafter until full satisfaction of the obligation.

SECTION ELEVEN

WAIVER OF PRESENTMENT, PROTEST AND NOTICE OF DISHONOR

Grantor waives presentment, protest and notice of dishonors and Grantor waives any rights to all other notices or demands that might otherwise be required by law, or to which Grantor might otherwise be entitled.

SECTION TWELVE

USUARY SAVINGS CLAUSE

It is the intention of Secured Party and Grantor that provisions of the Purchase Contract and the other Contract Documents constitute a purchase and sale and absolute and unconditional assignment of all of Seller's right, title an interest in and to the Purchased Fees and is not, nor should it be construed to be, a loan. Nor should the Note and/or Guaranty executed on even date herewith be construed to be a loan, as same are being given merely as security to ensure the payment of the Purchased Fees. Nonetheless, in order to protect against any conceivable determination that the conveyance was not effective, in the event of a determination by any Court or other trier of fact that the subject transaction does constitute a loan rather than a sale, it is the intent of Secured Party and Grantor to conform to and contract in strict compliance with applicable usury law from time to time in effect. In such event, all agreements between Secured Party and Grantor are hereby

limited by the provisions of this paragraph which shall override and control all such agreements, whether now existing or hereafter arising and whether written or oral. In no way, nor in any event or contingency (including, but not limited to prepayment, default, demand for payment, or acceleration of the maturity of any obligation) shall the rate of interest taken, reserved, contracted for, charged or received under this Agreement or the other Contract Documents or otherwise, exceed the Maximum Lawful Rate (defined below). If, from any possible construction of any document deemed by the trier to be a loan, interest would otherwise be payable in excess of the Maximum Lawful Rate, any such construction shall be automatically reformed and the interest payable shall be automatically reduced to the Maximum Lawful Rate, without the necessity of execution of any amendment or new document. As used herein, the term "*Maximum Lawful Rate*" means the maximum nonusurious rate of interest per annum permitted by whichever applicable law permits the higher interest rate for business or commercial transactions.

SECTION THIRTEEN

INCORPORATION BY REFERENCE

All of the terms and provisions of the Offer to Purchase/Purchase Contract and Cognovit Promissory Note are hereby incorporated herein by reference the same as if fully set forth at length.

Grantors:
/s/ Walter C. Dumas
Walter C. Dumas,
Individually

/s/ Walter C. Dumas
Authorized Signatory
for Dumas & Associates
Law Corporation

STATE OF LOUISIANA)
PARISH) ss:
~~COUNTY~~ of EAST BATON ROUGE)

This instrument was sworn and subscribed to before me on 10-28, 2003 by Walter C. Dumas and Walter C. Dumas.

/s/ Patti Durio Hatch
Notary Public in and for the State of Louisiana
Printed Name: Patti Durio Hatch

PROMISSORY NOTE

$113,776.08 Due Date: February 11, 2005

FOR VALUE RECEIVED, Walter C. Dumas, Individually, and Dumas & Associates Law Corporation (Maker) promises to pay **CORE FUNDING GROUP, L.P.** (Holder), at 11200 Westheimer, Suite 620, Houston, TX 77042, the sum of One Hundred Thirteen Thousand Seven Hundred Seventy-Six Dollars and Eight Cents ($113,776.08) to paid as follows:

The principal shall be paid on or before: February 11, 2005 (the Due Date).*

the $113,776.08 Subject Payment amount assumes a payoff on the Due Date of February 11, 2005. Payoff of the Subject Payment amount either prior to or after the Due Date will be pursuant to the following terms:

there is a "flat minimum charge" of 3% for the first 30 days (i.e. 3% of $100,000.00, or $3,000.00, for a 30-day payoff amount of $103,000.00). Thereafter for the next one hundred twenty (120 days (i.e. up through the Due Date), the charge will be 1.00% for each 15 day window that opens up. After one hundred twenty days (120) days (i.e. after the Due Date) the Rate will be 1% for each 15-day period until the obligation is satisfied in full.

Maker(s) shall have the right of repayment of this Note at any time.

All payments shall be made in lawful legal tender money of the United States of America at the office of the holder hereof at 11200 Westheimer, Suite 620, Houston, TX 77042 or at such other place as the holder hereof may, from time to time, designate in writing without presentment of this Note.

If default shall be made in the making of any payment required hereunder and such default shall continue for fourteen (14) days, the total amount of this obligation shall become immediately due and payable and shall bear interest at the rate of 1.00% percent per fifteen-day period from the Due Date (or earlier acceleration thereof or from any permitted extension thereof). All interest calculations shall be made on the basis of a three hundred sixty (360) day year, which shall be calculated on the actual number of days in each month. All costs of collection shall be paid by the Maker(s) including reasonable attorney fees and all court costs.

The granting, with or without notice, of any extensions of time for the repayment of any sum or sums due hereunder or the taking of or release of any security shall in no way release or discharge the liability of any Maker(s), endorser or guarantor hereof and shall not constitute waiver of any of the rights of Holder which may be exercised at Holder's sole discretion.

This Note is secured by a Security Agreement by which Maker(s) grants Core Funding Group a security

interest and a lien on my attorney fee expectation in the following case(s):

a) *In Re Chemical Release at Bogalusa* in the 22nd Judicial District Court, Parish of Washington, State of Louisiana, Case Number: 73341

Should any case listed above settle before this Promissory Note's Due Date, Maker will promptly apply Maker's full attorney fee – after payment of a referral fee, if any – toward prepayment of this Promissory Note.

Regarding any and all aspects of Maker's relationship with Core Funding, Maker agrees to act as a fiduciary and trustee towards Core Funding, with Core Funding as the beneficiary and Maker assuming towards Core Funding all the obligations and duties the law imposes upon trustees and fiduciaries.

The Security Agreement signed by Maker and the Offer to Purchase/Purchase Contract signed by Maker are specifically incorporated herein the same as if fully set forth as length. No modification, amendment, deletion, addition to or other change to any Contract Document shall be effective for any purpose unless specifically set forth in writing and signed by the party or parties to be bound thereby.

Maker agrees to indemnify and to hold harmless Core Funding and its officers, general partner and agents, including but not limited to, Thomas F. Emmick, from any and all claims, lawsuits and

judgments, including attorney fees, that may be asserted related to this loan or attempts to collect the loan to have resulted from the sole or partial negligence or gross negligence or breach of any common law or statutory law or contract by Core or Core's officers, general partner or agents. By signing this contract Maker assigns and conveys to Core Funding any cause of action Maker has or may have against Core Funding or Core's officers, general partner, or agents related to this loan or any attempt to collect it.

The happening of any one or more of the following events shall be deemed a default under this Note.

A) Failure of Maker(s) to make payment when due under this Note, or the breaching of any of the other terms and conditions of the Offer to Purchase/Purchase Contract, Security Agreement and all other contract documents, if any;

B) The Maker(s) makes an assignment for the benefit of its creditors;

C) The Maker(s) petitions or applies to any court for the appointment of a trustee or receiver for itself or commences any proceeding relating to itself under the Bankruptcy Code, assignment, insolvency, or readjustment of debt; or

D) Any petition or application that is filed or any proceeding as hereinbefore described in subparagraph (C) above is commenced against the Maker(s), and either the Maker(s), by any act, indicates their approval thereof, consents thereto, or acquiesces thereto, or Maker(s)

fails to secure dismissal of such proceedings therein within (60) days.

In the event of any condition of default, the Holder at its option may elect to accelerate all the amounts due and payable under this note without notice to Maker(s).

The Maker(s) hereby waives presentment, demand, notice of dishonor, protest, and notice of nonpayment and protest.

This Note evidences a loan, which is made for business purposes and not for consumer, family or household needs.

This Note was prepared in Toledo, Lucas County, Ohio.

The Maker(s) hereof, jointly and severally if applicable, agrees to be responsible for this Note.

The Contract Documents (Promissory Note, Offer to Purchase/Purchase Contract and Security Agreement) supersede all other agreements, oral or written, heretofore made regarding the subject matter hereof and the transactions contemplated hereby and contain the entire agreement of the parties. There are no unwritten oral agreements between the parties hereto. The Contract Documents cannot be modified, amended or changed, in any manner, except in a writing signed by the party or parties to be bound thereby.

The Maker(s), and Endorser, if any, hereof hereby authorize any attorney at law to appear

in any court of record in Lucas County, State of Ohio, after this note becomes due, whether by acceleration or otherwise, and to waive the issuing and service of process and confess a judgment in favor of the legal holder hereof against the Maker(s) and Endorser, or either or any one or more of them, for the amount of principal and interest then appearing due upon this note, together with costs of suit, including reasonable attorney fees, and to release all errors and waive all rights to appeal.

WARNING – BY SIGNING THIS PAPER YOU GIVE UP YOUR RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON TIME A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE AND THE POWERS OF A COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR WHETHER FOR RETURNED GOODS, FAULTY GOODS, FAILURE ON HIS PART TO COMPLY WITH THE AGREEMENT, OR ANY OTHER CAUSE.

MAKER/BORROWER:

1263 Government Street /s/ Walter C. Dumas
Walter C. Dumas,
Individually

Baton Rouge, LA 70802 /s/ Walter C. Dumas
Authorized Signatory
for Dumas & Associates
Law Corporation

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Agreement") is made and entered into this 13th day of August, 2004 by Walter C. Dumas, Individually, and Dumas & Associates Law Corporation of 1263 Government Street, Baton Rouge, LA 70821 hereinafter collectively "Grantor") for the benefit of Core Funding Group, L.P., a Texas limited partnership, 11200 Westheimer, Suite 620, Houston, TX 77042 ("Secured Party").

As one of the conditions to consummating the transaction contemplated by the "Offer to Purchase/ Purchase Contract" dated August 13, 2004, by and between Grantor and Secured Party, Secured Party has required that Grantor execute and deliver this Security Agreement as security for the performance of Grantor's obligations under the Offer to Purchase/ Purchase Contract and the Promissory Note ("Note). Grantor has agreed to enter into this Security Agreement, and Grantor's agreement to do so was and is a material inducement to Secured Party to likewise enter into the transaction contemplated by the Contact Documents.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged and confessed by Grantor, Grantor hereby agrees as follows:

SECTION ONE

DESCRIPTION OF SECURITY PLEDGED

A. Note

Pursuant to the Note, executed and given by Grantor for value received, Grantor has promised to pay to Secured Party, its assignee or designee on or before the Due Date, the sum of $113,776.08. The Note (while it may or may not necessarily be security for the repayment of the contracted for sum) is a negotiable instrument for all purposes, and shall be conclusive evidence of Grantor/Debtor's absolute obligation to repay, as and when due, the Purchase Amount under the Purchase Contract.

Grantor has delivered to Secured Party (or subsequent to the execution hereof, will deliver to Secured Party as soon as possible pursuant hereto), the Note, together with all of the hereinafter-indicated security. Failure to timely deliver the Note and all of the Collateral pledged hereby shall be an event of default/breach of contract, entitling Secured Party to pursue all legal remedies, including, but not limited to, those provided for hereinafter.

B. Description of Collateral Other than Note Securing Performance

1. Grantor hereby pledges all of Grantor's accounts, accounts receivable, attorney fee receivables, referral fee receivables, contract rights, bank depository accounts and general intangibles, and other evidences of amounts

owed to Grantor whatsoever, as well as Grantor's attorney fee expectation for all work in progress/process whether presently existing or hereafter acquired or arising and no matter where located, all of which have been pledged as security for the payment of the Purchased Fees plus accrued interest. *Exclusion from Collateral*: "Collateral" shall not include funds on deposit in trust account(s) or escrow accounts(s) maintained by you or other property under your control but which are required by your state bar to be segregated from your personal assets.

2. Grantor specifically pledges Grantor's expectation of receiving an attorney fee from the following case(s), as specific collateral for this transaction, which, together with any proceeds thereof relating thereto, shall be subject to the escrow provision set forth in Subsection C hereinafter:

   a. *In Re Chemical Release at Bogalusa* in the 22nd Judicial District Court, Parish of Washington, State of Louisiana, Case Number: 73341

C. Escrow Requirement with Respect to Specifically Pledged Collateral

Grantor shall immediately, upon receipt of attorney fees (after payment of a referral fee, if any) in the above-referenced cases listed in Section One (B)(2), notify Secured Party of Grantor's receipt of same and shall place said pledged fees into Grantor's

IOLTA trust account. Grantor shall continue to escrow, in the above manner, any and all funds received on cases specifically pledged in Section One (B)(2) until the end of each month, upon which time Grantor shall remit those funds directly to Core Funding Group. This procedure shall continue until Grantor's note and all other sums due and payable to Lender, if any, have been paid to Secured Party. Regular monthly reports shall be furnished to Secured Party regarding any escrowed funds in Grantor's trust account. Funds in Grantor's trust account in which Secured Party has an interest shall not be paid to anyone except Secured Party.

SECTION TWO
DEFINITIONS

Unless otherwise defined herein, capitalized terms used herein shall have the meanings set forth for same in the Purchase Contract or other Contract Documents where defined.

The term "Liabilities" is defined for purposes hereof as the Note, this Agreement, the Offer to Purchase/Purchase Contract, and all other obligations of any kind owed by Grantor to Secured Party, including, but not limited to, any costs/expenses (including attorney fees) associated with enforcement/collection of the Note and/or disposal of Collateral in an attempt to satisfy same.

The term "Collateral" is defined as Grantor's attorney fee expectation in the case(s) listed in Section One (B)(2) of this agreement and all properly indicated in the description of collateral in Section One (B)(1)(2) of this Agreement, including any distributions with respect thereto and/or proceeds thereof. Provided, however, that all tangible, intangible and other property whatsoever not subject to any security interest is also at risk by Grantor in satisfaction of the liability provided for in the Note and Contract Documents.

The term "Note" means the Promissory Note.

The term "Contract Documents" means the Note, the Security Agreement, and the Offer to Purchase/ Purchase Contract.

Unless the context requires otherwise (e.g. the term in question has been previously defined in this or another Contract Document), all terms used herein shall be construed as defined in the Uniform Commercial Code of Ohio and shall have the meaning stated therein.

SECTION THREE

REPRESENTATIONS AND WARRANTIES

Regarding any loan extended by Secured Party to Grantor, Grantor warrants that Grantor will use such funds for business purposes and that such funds will not be used for consumer, family or household needs.

All of the representations and warranties made and set forth in the Purchase Contract and other Contract Documents are hereby expressly incorporated herein by reference.

All statements made with respect to the Collateral (e.g. existence, title to, value of, etc.) are true and accurate.

Grantor shall not, either before or after the closing on the transaction contemplated by this Agreement and the other Contract Documents, cause or permit any act or omission that could result in any waste, impairment or diminution in the value of the Collateral pledged hereby, or which could otherwise negatively affect the practical benefit of Secured Party's bargain obtained under this Agreement and the other Contract Documents.

Grantor will not cause to be placed, or suffer or permit to be placed, any liens, encumbrances, etc., other than Secured Party's, upon any of the Collateral or any other assets of Grantor which may be utilized to satisfy Grantor's obligation/liabilities to Secured Party under the Note and other Contract Documents.

Regarding any attorney fee funds due and owing to Secured Party, resulting from legal fees received by Grantor from cases pledged as collateral in Section One (B)(2) of this instrument Grantor warrants and promises that he will act in a fiduciary and trustee capacity towards Secured Party.

SECTION FOUR
DUTIES OF GRANTOR

In addition to any other duties required elsewhere hereunder or under any other Contract Documents), at any time, and from time to time, upon demand of Secured Party, Grantor shall: (1) Deliver and pledge to Secured Party, endorsed or accompanied by whatever instrument or assignment, and in whatever form Secured Party may request, any other instrument, document, paper or other writing as Secured Party may specify with respect to the Collateral hereunder; (2) Give, execute or record any notice, document or other paper or writing that Secured Party may request to create or perfect any security interest granted and/or to enable the Secured Party to enforce its rights; (3) Keep and mark all documents, chattel paper and records relating to inventory, accounts, contracts and any other writing that Secured Party may require with respect to the Collateral; (4) Permit the agents or representatives of the Secured Party at any time to inspect the records with respect to the Collateral provided; (5) Cooperate with Secured Party in any manner deemed necessary/desirable by Secured Party to protect Secured Party's investment and/or to perfect its interest in the Collateral pledged as security hereby; (6) Immediately notify Secured party regarding any attorney fees received from cases listed in Subsection One (B)(2) of this instrument; (7) Immediately notify Secured Party of any breach of contract and/or of the escrow provisions set forth herein in Section One.

SECTION FIVE

FILING FINANCING STATEMENTS

Secured Party, in its discretion, may file (and Grantor shall cooperate in the preparation and filing of) one or more UCC financing statements under appropriate Federal or State Laws naming Grantor as Grantor and Secured Party as Secured Party and indicating any and all of the Collateral. For so long as Grantor has any repayment obligation (owes any money) to Secured Party, without prior written consent of Secured Party, Grantor shall not file, or permit to be filed, with respect to the Collateral any financing statement in which Secured Party is not named as the sole secured party.

Secured Party shall have the right, at any time, to execute and file this Agreement as a UCC financing statement, and/or to prepare and file other financing statements as provided for elsewhere herein, but the failure to do so shall not impair the validity or enforceability of this Agreement.

SECTION SIX

COLLATERAL UNDER CONTROL OF SECURED PARTY

If the Collateral, or any part thereof, shall at any time come under the control of the Secured Party or any of its agents, servants or representatives, the Secured Party, in its sole discretion, may transfer or

register, in the name of itself or its nominee, any of the Collateral.

Subject to the escrow provisions, set forth in Section One (C) hereinabove, Secured Party shall receive any income, benefits or other rights with respect to the Collateral provided and may treat the Collateral as its own property on such terms as the Secured Party deems best and exercise any power with respect to the Collateral with the same force and effect as though the Secured Party were the absolute owner thereof. The Secured Party need not give notice of its actions described herein and shall not be liable except to account for property actually received by it.

SECTION SEVEN

DEFAULT

1. On default of Grantor in connection with any of the Liabilities, including, but not limited to, any breach of any provision of any Contract Document, whether such default be that of the Grantor or other party obligated, Grantor shall, on the written request of Secured Party, assemble the Collateral at the place Secured Party designates in its request. Secured Party shall have the same rights and remedies with respect to the Collateral as does a secured party under the Uniform Commercial Code and shall have all rights held by the Grantor with respect to the Collateral.

2. The Grantor shall also be in default under this Agreement on the occurrence of any of the following events or conditions:

a) If Secured Party fails to receive all contracted-for amounts (i.e. repayment of the Purchased Fee amount plus any other contractually agreed-upon amount, if any), on or before the due Date and/or if the Grantor fails to pay, when due, any indebtedness secured by this Agreement, either principal or interest;

b) If the Grantor defaults in the punctual performance of any of the obligations, covenants, terms, or provisions contained or referred to in this Agreement, the Note or any other Contract Document;

c) If any warranty, representation, or statement contained in this Agreement, or any other closing Document, or made or furnished to the Secured Party by or on behalf of the Grantor in connection with same, or made or furnished to induce the Secured Party to purchase the Purchased Fees from Grantor, proves to have been false in any material respect when made or furnished;

d) If there is any loss, theft, substantial damage, destruction, sale or encumbrance of or to any of the Collateral or any assertion or making of any levy, seizure, or attachment of or on the Collateral;

e) If the Grantor dies, dissolves, terminates its existence, or fails in business; if a receiver is

appointed for all or any part of the property of the Grantor; if there is an assignment for the benefit of creditors by the Grantor; or if a meeting of creditors of the Grantor is called;

f) If any statement of the financial condition of the Grantor or of any guarantor, surety, or endorser of any liability of the Grantor to the Secured Party submitted to the Secured Party by the Grantor or any such guarantor, surety, or endorser proves to be false;

g) If the Collateral becomes, in the judgment of the Secured Party, unsatisfactory or insufficient in character or value;

h) If any guarantor, surety, or endorser for Grantor defaults in any obligation or liability to the Secured Party;

i) If the Secured Party receives notice, at any time, from any third party that the third party is acquiring or attempting to acquire a security interest of any kind in any of the Collateral that is the subject of this Agreement;

j) If the Secured Party learns that Grantor has violated, plans to violate, or has a record or reputation for violating any federal or state law relating to liquor, narcotics, or any commercial crime;

k) If Grantor removes or replaces any of the component parts of Collateral and/or materially impairs/lessens the market value of the Collateral;

l) Failure by Grantor to immediately notify Secured Party of Grantor's receipt of attorney fees from any specifically pledged collateral under Section One (B)(2) of this instrument; or

m) Failure by Grantor to immediately notify Secured Party of any breach by Grantor of the escrow provisions contained in Section One (C) or of any other breach of any of the Contract Documents; and

n) If any insurance insuring the Collateral and the respective interests of the parties in the Collateral is canceled for any reason and Grantor fails or refuses to furnish written proof to the Secured Party that Grantor has obtained substitute insurance coverage replacing the canceled policies;

SECTION EIGHT

REMEDIES

1. Upon the occurrence of any event of default which is described in Section Seven hereof or in any of the Contract Documents, and at any time after default, Secured Party may declare any and/or all secured and/or unsecured obligations immediately due and payable and may proceed to enforce payment of the obligations and exercise any and all of the rights and remedies provided by the Uniform Commercial Code (including, but not limited to proceeding against any Collatoral pledged hereunder), as well as exercising any

and/or all other rights and remedies at law or in equity possessed by Secured Party including but not limited to putting opposing counsel and/or an adjuster for a case specifically pledged as collateral in Section One (B)(2) on notice (by certified mail, intervention in a legal proceeding or otherwise) of Secured Party's lien and requesting that Secured Party's name be placed on any settlement check or payments of judgment.

2. All rights and remedies of the Secured Party, under this Agreement, are cumulative with any right or remedy that Secured Party may have at law, or in equity, or under any other contract or document for the enforcement of the security interest created in this Agreement or the collection of the debt, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of any other rights or remedies.

SECTION NINE

COST OF COLLECTION

Grantor shall pay to Secured Party all expenses incurred by Secured Party, including reasonable attorneys' fees expended by Secured Party, in enforcing any of the provisions of this Agreement and/or any other Contract Document(s) including attorney fees for obtaining a judgment and, in addition attorney fees incurred in enforcement of any judgment.

SECTION TEN

ACCELERATION CLAUSE/DEFAULT RATE

In addition to any other rights/remedies set forth in this Agreement, and/or any of the other Contract Documents, and in addition to any other rights/ remedies Secured Party may have in law/equity if Grantor fails to timely furnish to Secured Party, attorney fees Grantor received from case(s) specifically pledged as collateral under Section One (B)(2) of this instrument, or should Grantor fail to make payment of the Note as and when due (e.g. on the Due Date, or, if applicable, on the Extended Due Date) or upon the happening of any other event of default, then all sums payable to Secured Party under the Purchase Contract and/or the other Contract Documents (including, but not limited to, the Note) shall be immediately accelerated and due and payable to Secured Party/its Assignee or designee. In the event of such an acceleration, then interest shall immediately begin to run and be due and payable on the outstanding Purchased Fees of the Note/ outstanding balance of the Purchased Fees, at the Default Rate of 1.25% (one and one quarter percent) interest per ten (10) day period thereafter until full satisfaction of the obligation.

SECTION ELEVEN

WAIVER OF PRESENTMENT, PROTEST AND NOTICE OF DISHONOR

Grantor waives presentment, protest and notice of dishonors and Grantor waives any rights to all other notices or demands that might otherwise be required by law, or to which Grantor might otherwise be entitled.

SECTION TWELVE

USUARY SAVINGS CLAUSE

It is the intention of Secured Party and Grantor that provisions of the Purchase Contract and the other Contract Documents constitute a purchase and sale an absolute and unconditional assignment of all of Seller's right, title and interest in and to the Purchased Fees and is not, nor should it be construed to be, a loan. Nor should the Note and/or Guaranty executed on even date herewith be construed to be a loan, as same are being given merely as security to ensure the payment of the Purchased Fees. Nonetheless, in order to protect against any conceivable determination that the conveyance was not effective, in the event of a determination by any Court or other trier of fact that the subject transaction does constitute a loan rather than a sale, it is the intent of Secured Party and Grantor to conform to and contract in strict compliance with applicable usury law from time to time in effect. In such event, all agreements between Secured Party and Grantor are hereby

limited by the provisions of this paragraph which shall override and control all such agreements, whether now existing or hereafter arising and whether written or oral. In no way, nor in any event or contingency (including, but not limited to prepayment, default, demand for payment, or acceleration of the maturity of any obligation) shall the rate of interest taken, reserved, contracted for, charged or received under this Agreement or the other Contract Documents or otherwise, exceed the Maximum Lawful Rate (defined below). If, from any possible construction of any document deemed by the trier to be a loan, interest would otherwise be payable in excess of the Maximum Lawful Rate, any such construction shall be automatically reformed and the interest payable shall be automatically reduced to the Maximum Lawful Rate, without the necessity of execution of any amendment or new document. As used herein, the term "Maximum Lawful Rate" means the maximum nonusurious rate of interest per annum permitted by whichever applicable law permits the higher interest rate for business and commercial transactions.

SECTION THIRTEEN

INCORPORATION BY REFERENCE

All of the terms and provisions of the Offer to Purchase/Purchase Contract and Promissory Note are hereby incorporated herein by reference the same as if fully set forth at length.

Grantors /s/ Walter C. Dumas
Walter C. Dumas, Individually

/s/ Walter C. Dumas
Authorized Signatory for
Dumas & Associates Law Corporation

State of Louisiana)
) ss
~~County~~ Parish of East Baton Rouge)

This instrument was sworn and subscribed to before me on August 12, 2004 by Walter C. Dumas and _____ and _____ and _____, as authorized signatory for Dumas & Associates Law Corporation

/s/ Ericka Gilbert #68585
Notary Public in and for the
State of LA
Printed Name: Ericka Gilbert